

THE REAL ESTATE ECONOMICS OF THE NBA / ERA-GENSLER PLAN FOR THE CAL EXPO SITE

A Presentation to the
Board of Directors
of the California Exposition and State Fair

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Gruen Gruen + Associates



GG+A CONCLUSIONS

- We believe the ERA assumptions about obtainable prices, absorption and costs may be optimistic.
- We must ensure that proposed uses will support positive land values and not work to offset revenues from feasible uses.
- No discounts are shown to reflect leased rather than fee simple land values. Such discounts are likely to be particularly significant for residential uses.
- Proposed retail uses may run into demand shortfalls and could engender significant opposition from existing retail developments in the market area. The extended build out period may justify this level of development.
- We must identify feasible uses that would likely support the highest land values.
- Arenas are amenities that support development if linked to significant existing or new complementary uses.
- Based upon these findings and the work provided by ERA, it may be appropriate to explore the project's potential with the development community.



RESIDUAL LAND VALUE ESTIMATES OF PLAN

COMPARISON OF ERA LAND VALUE ESTIMATES TO GG+A LAND VALUE ESTIMATES USING ERA ASSUMPTIONS ABOUT MARKET, COST AND INVESTMENT CONDITIONS¹

Phase (Drawdown Year)	% of Total	ERA	% of Total	GG+A	Difference
Phase 1 (2011)	2.5%	\$15,777,000	7.7%	\$34,695,000	\$18,918,000
Phase 2 (2013)	0.9%	\$5,330,000	1.8%	\$7,936,000	\$2,606,000
Phase 3 (2015)	1.7%	\$10,555,000	2.6%	\$11,505,000	\$950,000
Phase 4 (2017)	7.1%	\$43,892,000	8.6%	\$38,746,000	(\$5,146,000)
Phase 5 (2019)	7.1%	\$44,062,000	9.9%	\$44,765,000	\$703,000
Phase 6 (2021)	6.3%	\$39,154,000	6.4%	\$28,643,000	(\$10,511,000)
Total Phases 1 - 6	25.6%	\$158,770,000	36.9%	\$166,290,000	\$7,520,000

Land Value Phases 1 - 6 (\$2011)	ERA	GG+A	Difference
@ 3% Discount Rate	\$127,503,000	\$138,388,000	\$10,885,000
@ 6% Discount Rate	\$104,036,000	\$117,310,000	\$13,274,000

(1) Based on assumptions and estimates provided to us by ERA, we assume that developer and builder profit for condominium uses are included in "soft" cost estimates. Including additional developer/builder profit would result in substantially lower land value estimates.



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COMPARISON OF ERA LAND VALUE ESTIMATES TO GG+A LAND VALUE ESTIMATES USING ERA ASSUMPTIONS ABOUT MARKET, COST AND INVESTMENT CONDITIONS¹

Phase (Drawdown Year)	% of Total	ERA	% of Total	GG+A	Difference
Phase 7 (2024)	15.4%	\$95,680,000	12.4%	\$55,780,000	(\$39,900,000)
Phase 8 (2026)	8.2%	\$50,756,000	4.9%	\$22,232,000	(\$28,524,000)
Phase 9 (2028)	16.6%	\$103,233,000	15.0%	\$67,847,000	(\$35,386,000)
Phase 10 (2030)	10.2%	\$63,093,000	9.6%	\$43,198,000	(\$19,895,000)
Phase 11 (2032)	13.8%	\$85,841,000	13.4%	\$60,572,000	(\$25,269,000)
Phase 12 (2034)	10.1%	\$62,654,000	7.8%	\$35,056,000	(\$27,598,000)
Total Phases 7 - 12	74.4%	\$461,257,000	63.1%	\$284,685,000	(\$176,572,000)
TOTAL Phases 1 - 12	100.0%	\$620,026,000	100.0%	\$450,975,000	(\$169,051,000)

Land Value Phases 7 - 12 (\$2011)	ERA	GG+A	Difference
@ 3% Discount Rate	\$266,078,000	\$163,360,000	(\$102,718,000)
@ 6% Discount Rate	\$157,435,000	\$96,129,000	(\$61,306,000)

(1) Based on assumptions and estimates provided to us by ERA, we assume that developer and builder profit for condominium uses are included in “soft” cost estimates. Including additional developer/builder profit would result in substantially lower land value estimates.



RESIDUAL LAND VALUE ESTIMATES OF PLAN

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Total Land Value (Phases 1-12)	ERA	GG+A
Nominal Value	\$620,026,000	\$450,975,000
Nominal Value Per Acre	\$2,480,000	\$1,804,000
<u>Discounted @ 3%</u>		
Land Value (\$2011)	\$393,581,000	\$301,748,000
Land Value Per Acre (\$2011)	\$1,574,000	\$1,207,000
<u>Discounted @ 6%</u>		
Land Value (\$2011)	\$261,471,000	\$213,439,000
Land Value Per Acre (\$2011)	\$1,046,000	\$854,000



GG+A RESIDUAL LAND VALUE ESTIMATE

GG+A Estimate of Supportable Land Values Based on GG+A Assumptions About Market Conditions, Costs and Investment Criteria For the NBA / ERA-GENSLER Master Plan, Eliminating All Uses That Did Not Contribute to Land Value¹

PHASE (Drawdown Year)	Nominal Value	\$2011 @ 3% Discount	\$2011 @ 6% Discount
PHASE 1 (2011)	\$ 1,438,840	\$ 1,438,840	\$ 1,438,840
PHASE 2 (2013)	\$ 2,919,251	\$ 2,671,528	\$ 2,451,059
PHASE 3 (2015)	\$ 2,333,478	\$ 2,012,879	\$ 1,743,711
PHASE 4 (2017)	\$ 18,984,305	\$ 15,435,977	\$ 12,625,647
PHASE 5 (2019)	\$ 7,281,709	\$ 5,580,824	\$ 4,310,032
PHASE 6 (2021)	\$ -	\$ -	\$ -
PHASES 1 - 6	\$ 32,957,583	\$ 27,140,048	\$ 22,569,289
PHASE 7 (2024)	\$ 10,356,047	\$ 6,846,567	\$ 4,580,490
PHASE 8 (2026)	\$ -	\$ -	\$ -
PHASE 9 (2028)	\$ 29,510,140	\$ 17,334,097	\$ 10,338,694
PHASE 10 (2030)	\$ -	\$ -	\$ -
PHASE 11 (2032)	\$ 10,378,356	\$ 5,416,386	\$ 2,880,047
PHASE 12 (2034)	\$ -	\$ -	\$ -
PHASES 7 - 12	\$ 50,244,543	\$ 29,597,050	\$ 17,799,231
TOTAL PHASES 1 - 12	\$ 83,202,126	\$ 56,737,098	\$ 40,368,520

(1) No discounts for leased rather than fee simple land were deducted from these estimates



MASTER PLAN

Phasing & Make-up of NBA / ERA-GENSLER Plan

Phase & Delivery Year	Hotel # Sq Ft	Retail # Sq Ft	Office # Sq Ft	Entertainment # Sq Ft	Affordable Rentals # Sq Ft	For-Sale Condos # Sq Ft	TOTAL # Sq Ft
Phase 1 (2013)	300,000		250,000	100,000			650,000
Phase 2 (2015)		20,000	250,000	100,000			370,000
Phase 3 (2017)		10,000	375,000	100,000			485,000
Phase 4 (2019)		219,000	500,000	100,000			819,000
Phase 5 (2021)	200,000	66,000	500,000	100,000	6,600	60,000	932,600
Phase 6 (2023)		206,773	375,000		10,000	205,773	797,546
Phases 1-6	500,000	521,773	2,250,000	500,000	16,600	265,773	4,054,146

Sources: Economic Research Associates; Gensler.



MASTER PLAN

Phasing & Make-up of NBA / ERA-GENSLER Plan

Phase & Delivery Year	Hotel # Sq Ft	Retail # Sq Ft	Office # Sq Ft	Entertainment # Sq Ft	Affordable Rentals # Sq Ft	For-Sale Condos # Sq Ft	TOTAL # Sq Ft
Phase 7 (2026)		412,235	290,000		63,900	472,371	1,238,506
Phase 8 (2028)		272,667			63,900	472,371	808,938
Phase 9 (2030)		272,667			63,900	472,371	808,938
Phase 10 (2032)					63,900	472,371	536,271
Phase 11 (2034)		85,658			63,900	472,371	621,929
Phase 12 (2036)					63,900	472,371	536,271
Phases 7-12	0	1,043,227	290,000	0	383,400	2,834,226	4,550,853
TOTAL	500,000	1,565,000	2,540,000	500,000	400,000	3,099,999	8,604,999
% of total	5.8%	18.2%	29.5%	5.8%	4.6%	36.0%	100.0%

Sources: Economic Research Associates; Gensler.



GG+A RESIDUAL LAND VALUE ESTIMATE

Uses Shown in the NBA / ERA-GENSLER Plan That Were Included and Excluded in GG+A's Estimate of Obtainable Land Value*

Master Plan Uses Excluded (infeasible)

<u>Use</u>	<u>Land Value Per Square Foot of Building Space</u>
Hotel 1	(\$58)
Hotel 2	(\$27)
Office	(\$90)
Retail (w/ structured parking)	(\$40)
Affordable Rentals	(\$86)
Condos	(\$13)

Master Plan Uses Included (feasible)

<u>Use</u>	<u>Land Value Per Square Foot of Building Space</u>
Entertainment	\$3
Retail (w/o structured parking)	\$38

* 2009 Dollars



GG+A RESIDUAL LAND VALUE ESTIMATE

Feasible Residential Prototypes Not Shown in the NBA / ERA-GENSLER Plan*

Traditional Townhome

- 2-3 story
- 16 DU / acre
- Avg unit size of 1,600 square feet

Estimated Supportable Land Value

- \$45,000 per unit
- \$727,000 per acre



Stacked Townhome

- 3-4 story with tuck-under parking
- 32 DU / acre
- Avg unit size of 1,200 square feet

Estimated Supportable Land Value

- \$27,000 per unit
- \$849,000 per acre

* The information provided to us by ERA indicated that only low to mid-rise condominiums with structured parking were included in the Master Plan.



GG+A RESIDUAL LAND VALUE ESTIMATE

Feasible Office Prototype Not Shown in the NBA / ERA-GENSLER Plan

Low-Rise / Small Floor-plate Office

- 1-2 story
- 40,000 SF Building
- Approx. 0.5 FAR
- Surface Parking

Estimated Supportable Land Value

- \$350,000 per acre
- \$8 PSF of land



COMPARISON OF ERA AND GG+A ASSUMPTIONS

INVESTMENT ASSUMPTIONS FOR OFFICE, RETAIL AND HOTEL USES¹		
	ERA	GG+A
Equity as Percent of Project Value	20%	25% Office, Retail; 35% Hotel²
Net Present Value (NPV) Discount Rate and Required Internal Rate of Return (IRR)	18%	18%
Sale Year Calculation for IRR	7 ³	7
Permanent Mortgage Rate	7.5%	7.5% Office, Retail; 8.0% Hotel
Mortgage Term	30 years	25 years
Construction Loan Interest Rate	8.5%	8.5%
Capitalization Rate (sale year)	7.0%	8.25% Office, Retail; 9% Hotel
Sales Expenses (as % of sales price)	4.0%	4.0%
¹ ERA analysis and estimate of land value ignores income and capital gains taxes and to be consistent so does GG+A. This omission overstate supportable land values. ² Higher amounts of equity would be required in today's market. Assumptions assume market recovery. ³ ERA did not provide us with estimated holding period. We assume an average of 7 years.		



COMPARISON OF ERA AND GG+A ASSUMPTIONS

REVENUE ASSUMPTIONS FOR HOTEL USES				
	Hotel 1		Hotel 2	
	ERA	GG+A	ERA	GG+A
Average Daily Room Rate (\$2009)	\$225	\$175	\$250	\$200
Annual Growth in Daily Room Rate	3%	3%	3%	3%
Additional Revenues as Percentage of Revenues:				
Food & Beverage	15%	15%	15%	15%
Telecommunications	3%	3%	3%	3%
Minor Operating Departments	2%	2%	2%	2%
Other	5%	5%	5%	5%
Occupancy:				
Year 1	65%	65%	65%	65%
Year 2	68%	68%	68%	68%
Year 3	70%	70%	70%	70%
Year 4 and thereafter	72%	72%	72%	72%



COMPARISON OF ERA AND GG+A ASSUMPTIONS

REVENUE ASSUMPTIONS FOR HOTEL USES				
	Hotel 1		Hotel 2	
	ERA	GG+A	ERA	GG+A
Variable Operating Expenses as Percentage of Revenue:				
Rooms	42%	42%	42%	42%
Food & Beverage	80%	80%	80%	80%
Telecommunications	50%	50%	50%	50%
Minor Operating Departments	100%	100%	100%	100%
Other	0%	0%	0%	0%
Administrative, Marketing, Management, Maintenance and Utilities (Percent of Gross Revenue)	21%	21%	21%	21%
Fixed Operating Expenses Per Room	\$5,365	\$5,365	\$5,533	\$5,533
Annual Operating Expense Escalation	3%	3%	3%	3%



COMPARISON OF ERA AND GG+A ASSUMPTIONS

REVENUE AND OPERATING EXPENSE ASSUMPTIONS FOR OFFICE USES		
	ERA	GG+A
Annual Net Rental Rate Per Square Foot	\$30	\$21.75
Annual Inflation + Rent Escalation	3%	3%
Annual Parking Revenue Per Space	\$1,200	\$0
Occupancy:		
Year 1	45%	45%
Year 2	68%	68%
Year 3	81%	81%
Year 4 and thereafter	90%	90%
Credit Loss as Percentage of Annual Rent	3%	0%
Operating Expenses¹	4.8% of rent (\$1.40 PSF)	\$9.00 PSF
Leasing Commissions PSF	45% of Rent or \$13.50 PSF	\$9.75 PSF
Annual Expense Escalation	3%	3%
Tenant Improvements	\$25 PSF	\$40 PSF
¹ Includes ERA's estimate of capital reserve allowance		



COMPARISON OF ERA AND GG+A ASSUMPTIONS

REVENUE ASSUMPTIONS FOR RETAIL AND ENTERTAINMENT USES				
	Retail	Retail	Entertainment	Entertainment
	ERA	GG+A	ERA	GG+A
Annual Net Rental Rate	\$30 PSF	\$27.60 PSF	\$25 PSF	\$25 PSF
Annual Inflation + Rent Escalation	3%	3%	3%	3%
Annual Parking Revenue Per Space	\$0	\$0	\$0	\$0
Occupancy:				
Year 1	62%	62%	59%	59%
Year 2	67%	67%	63%	63%
Year 3	71%	71%	68%	68%
Year 4 and thereafter	95%	95%	90%	90%



COMPARISON OF ERA AND GG+A ASSUMPTIONS

OPERATING EXPENSE ASSUMPTIONS FOR RETAIL AND ENTERTAINMENT USES				
	Retail	Retail	Entertainment	Entertainment
	ERA	GG+A	ERA	GG+A
Credit Loss as Percentage of Annual Rent	3%	0%	3%	0%
Operating Expenses¹	4.8% or \$1.44 PSF	\$12.00 PSF	4.8% or \$1.20 PSF	\$11.00 PSF
Leasing Commissions	32% of Rent or \$9.60 PSF	\$8.83 PSF	32% of Rent or \$8.00 PSF	\$8.00 PSF
Annual Expense Escalation	3%	3%	3%	3%
Tenant Improvements PSF	\$20	\$30	\$50	\$50
¹ Includes ERA's estimate of capital reserve allowance.				



COMPARISON OF ERA AND GG+A ASSUMPTIONS

REVENUE AND OPERATING EXPENSE ASSUMPTIONS FOR AFFORDABLE RENTAL USES¹		
	ERA	GG+A
Annual Rent Per Square Foot	\$12.00	\$12.00
Occupancy:		
Year 1	59%	59%
Year 2	63%	63%
Year 3	68%	68%
Year 4 and thereafter	90%	90%
Fixed Operating Expenses	\$1.48 PSF	\$3.00 PSF
Variable Operating Expenses	8% rent or \$0.96 PSF	\$3.00 PSF
Annual Rent Escalation	3%	3%
Annual Expense Escalation	3%	3%
¹ In the absence of sufficient information to evaluate the product type and market factors, GG+A has accepted all of ERA's assumptions other than operating expenses. Based on previous research, and interviews with apartment developers, for a professionally managed apartment use of at least 100 units, a minimum operating cost of \$6,000 per unit or \$6.00 per square foot can be expected. GG+A also did not include development costs associated with "affordable housing tax credits".		



COMPARISON OF ERA AND GG+A ASSUMPTIONS

Revenue and Cost Parameters for For-Sale Condominium Product¹		
	ERA	GG+A
Average Gross/Net Unit Size	1,471 / 1,250	1,471 / 1,250
Average Unit Sales Price in 2009	\$340,000 (\$272 PSF)	\$312,500 (\$250 PSF)
Absorption	Not Provided (we unrealistically assume immediate absorption in each phase)	To be consistent we unrealistically assume immediate absorption in each phase
Average Unit Sales Price Escalation	3% See following schedule	None - in 2009 dollars
Hard Construction Costs	\$130 PSF	\$145 PSF
Land Development/Site Work Costs	\$6.23 PSF	\$6.23 PSF
Structured Parking Space Costs Per Space	\$18,000	\$18,000
Impact Fees	\$5.76 PSF	\$5.76 PSF
Soft/Indirect Costs	\$33.00 PSF	\$36.00 PSF
Total 2009 Costs (excluding structured parking)	\$175 PSF (\$257,400 per unit)	\$193 PSF (\$284,000 per unit)
Developer Profit (10% of sales price)	Assumed to be included in "soft/indirect" costs	\$31,250 Per Unit
¹ ERA labeled the for-sale residential as condominium but indicated 36% would be 2-story, 43% story would be 3-story, and 21% would be 4-story. Gensler's representative indicated preponderance of product would be town home and mid-rise condominium.		



COMPARISON OF ERA AND GG+A ASSUMPTIONS

ERA Forecast of Average Condominium Sales Price	
Year Delivered	Average Unit Sales Price ¹
2009 (base year)	\$ 340,000
2021 (Phase 5)	\$ 484,759
2023 (Phase 6)	\$ 514,281
2026 (Phase 7)	\$ 561,968
2028 (Phase 8)	\$ 596,192
2030 (Phase 9)	\$ 632,500
2032 (Phase 10)	\$ 671,019
2034 (Phase 11)	\$ 711,884
2036 (Phase 12)	\$ 755,238
¹ At three percent annual increase from base year.	



HOTEL SUPPLY

	Rooms	Average Daily Room Rates ¹
<i>Immediate Vicinity of Site (approx. 2 miles)</i>	#	\$
Fairfield Inn by Marriot Cal Expo	74	\$112 - \$130
Doubletree Hotel	448	\$127 - \$149
Radisson Hotel	306	\$131 - \$141
Hilton Sacramento Arden West	323	\$142 - \$156
Residence Inn by Marriot	176	\$128 - \$158
Townplace Suites by Marriot @ Cal Expo	117	\$100 - \$171
Courtyard by Marriot Cal Expo	148	\$96 - \$174
<i>Downtown – “Luxury” Full Service</i>		
Hyatt Regency Downtown	503	\$186 - \$207
Sheraton Grand	503	\$195 - \$213

¹ Average daily (low and high) recorded room rates for past year. Data from I-Maps.com hotel rate comparison.



Caveats About Hotel Assumptions

- ERA average daily rate assumptions higher than nearby hotels and higher than the largest, best Downtown hotels
- Initial occupancy rate of 65% assumes market demand sufficient to support financial feasibility
- Telecommunication revenue of three percent of gross revenue likely to be overstated given the trend for visitors to use their own cell phones and computer hook-ups
- GG+A uses ERA program and assumptions, **other than average daily rate**, to estimate land value; not to suggest sufficient market demand exists to support additional hotel rooms (including 1,100 rooms proposed at nearby Railyards project or other supply additions), or that have audited other assumptions



Caveats About Hotel Assumptions

- Cap rates for hotel investment sales rose 91 bp to exceed 9 percent in the fourth quarter and continue on an upward trajectory, according to Real Capital Analytics
- Moody's reports the hotel industry's current drop in fundamentals has already exceeded the industry's previous decline, in 2001-2002, and that it will last longer
- GG+A average daily rate and capitalization rate assumptions assume market recovery



OFFICE SUPPLY CONDITIONS

Point West Submarket

- Existing Inventory of 2.5 million SF
- Current vacancy @ 36% (with USAA closure) and rising
- Less than 200,000 SF of office space built in past four years

Total Metro

- Existing Inventory of 86 million SF
- Current vacancy @ 14% and rising
- Approximately 1.1 million SF of new space delivered annually over past 20 years



OFFICE MARKET MAY NOT BE DEEP ENOUGH TO SUPPORT QUANTITY OF SPACE AT HIGH RENTS

- Net Absorption in Point West submarket (of which the Cal Expo site is a part) has totaled less than 200,000 SF over past 15 years
- Proposed office space of 2.5 million SF at Cal Expo more than current Point West inventory and more than amount of space built Downtown since 1994.
- 1994-2007 only 800,000 SF built in Downtown
- Plan represents 10 times the total net absorption that has occurred in Point West submarket since 1990
- Effective net rent for new, Class A 366,000-sf US Bank Tower - \$21.72 PSF with \$40 psf tenant improvement allowance (free parking)
- USAA closing 625 person campus in Point West submarket, making another 310,000 sf available, increasing vacancy rate to 36%



OFFICE MARKET MAY NOT BE DEEP ENOUGH TO SUPPORT QUANTITY OF SPACE AT HIGH RENTS

- 500 Capitol Mall of 433,000 sf slated to open 2009 only 25% leased
- Gensler/ERA office development schedule and rents do not reflect competition from existing vacant space, including 320,000-sf Natomas Gateway Tower (2009) and potential supply (e.g., Railyards – 2.1 million sf capacity; Township 9-840,000 sf capacity; Natomas Crossing of 2.7 million sf plus capacity)
- 1990-2008 Gross rental rate growth -2%
- Interviews indicate that users attracted to Point West and nearby submarkets are attracted to lower rents and absence of parking costs (they prefer non-structured parking)



RETAIL MARKET CONDITIONS

Retail Submarkets: 2008¹						
	Arden / Watt/ Howe	Natomas	South Natomas	Carmichael	North Highlands	Market Total
Inventory (# SF)	3,094,824	2,259,667	589,377	1,103,806	1,926,989	40,691,042
Vacancy (# SF)	185,870	205,741	55,551	125,100	177,788	3,297,410
Vacancy Rate	6.0%	9.1%	9.4%	11.3%	9.2%	8.1%
Absorption	-28,188	29,890	10,200	-27,872	26,693	42,188
Average Asking Lease Rate ²	\$1.84	\$2.10	\$2.04	\$1.18	\$1.46	
¹ Fourth quarter. Excludes regional malls. Figures Rounded.						
² Asking monthly triple net rental rate.						
Source: CB Richard Ellis, Market View Sacramento Retail						



RETAIL MARKET CONDITIONS

- GG+A rents & expense assumptions reflect those for new 340,000-SF lifestyle center, Fountains at Roseville (Whole Foods, Smith & Hawken)
- In its 11-2004 report for the City of Sacramento “Market Analysis & Implementation Strategy – North Sacramento”, for the redevelopment area adjoining the Cal Expo site, ERA forecast for the 5-year period beginning 2004 demand of only 40,000 SF of retail (& 20,000 SF of office)
- Regional supply competition for users has increased with completion of the 1.1 million-sf Elk Grove Promenade (with vacant anchor spaces due to Macy’s and Target electing to not open) and the 775,000-sf Palladio Center in Folsom delaying in opening the bulk of the development
- Nordstrom-anchored Arden Mall with more than 165 apparel/specialty tenants serving an extensive trade area is within ½ mile of the site



COMPARISON OF ERA AND GG+A ASSUMPTIONS

Obtainable prices and absorption will be affected by supply competition, including:

- Railyards development approved for 10,000 housing units
- Township 9 approved for 2,980 apartment, condominium and townhome units
- Potential for revival of Capitol Mall Downtown condominium developments
- Ample supply of existing townhome and single-family homes throughout the region

Representative townhouse Product:

Prices psf Centex Astoria development in Sacramento -
\$160.5 PSF or \$230,000



GG+A RESIDUAL LAND VALUE ESTIMATE

Phase 1: Hotel

\$2009

Land Residual or Land Value:	(17,362,890)
Project Value:	63,849,260
Construction Costs	61,497,000
Points (0.00 Percent)	0
Financing Costs (Interest at 8.50 Percent)	2,352,260
Total Project Value:	46,486,370
Equity	16,270,230
Permanent Loan:	30,216,141
Annual Debt Service	2,830,611
Internal Rate of Return in Year 7	18.0%



GG+A RESIDUAL LAND VALUE ESTIMATE

Phase 1: Office

\$2009

Land Residual or Land Value:	(18,426,784)
Project Value:	52,520,811
Construction Costs	49,997,500
Points (0.00 Percent)	0
Financing Costs (Interest at 8.50 Percent)	2,523,311
Total Project Value:	34,094,028
Equity	8,523,507
Permanent Loan:	25,570,521
Annual Debt Service	2,293,949
Internal Rate of Return in Year 7	18.0%



GG+A RESIDUAL LAND VALUE ESTIMATE

Phase 1: Entertainment

\$2009

Land Residual or Land Value:	254,383
Project Value:	14,390,371
Construction Costs	13,699,000
Points (0.00 Percent)	0
Financing Costs (Interest at 8.50 Percent)	691,371
Total Project Value:	14,644,755
Equity	3,661,189
Permanent Loan:	10,983,566
Annual Debt Service	985,343
Internal Rate of Return in Year 7	18.0%



GG+A RESIDUAL LAND VALUE ESTIMATE

Phase 7: Affordable Rentals

\$2009

Land Residual or Land Value:	(5,494,842)
Project Value:	8,444,164
Construction Costs	7,986,861
Points (0.00 Percent)	0
Financing Costs (Interest at 8.50 Percent)	457,303
Total Project Value:	2,949,322
Equity	589,864
Permanent Loan:	2,359,458
Annual Debt Service	211,669
Internal Rate of Return in Year 7	18.0%



GG+A RESIDUAL LAND VALUE ESTIMATE

PHASE 7: For-Sale Condos	\$2009
Total Unit Sales	100,312,500
Total Hard Costs	68,493,795
Total Site Costs	2,942,871
Total Soft Costs	17,005,356
Total Impact Fees	2,720,857
<u>Total Structured Parking Costs</u>	<u>10,422,000</u>
Total Development Costs	101,584,879
<u>Developer Profit @ 10% of Sales Price</u>	<u>10,031,250</u>
Total Costs and Profit	111,616,129
Dollars Available for Land	(11,303,629)



GG+A RESIDUAL LAND VALUE ESTIMATE

Phase 4: Retail (no structured parking)

\$2009

Land Residual or Land Value:	12,044,697
Project Value:	30,364,650
Construction Costs	28,905,810
Points (0.00 Percent)	0
Financing Costs (Interest at 8.50 Percent)	1,458,840
Total Project Value:	42,409,348
Equity	10,602,337
Permanent Loan:	31,807,011
Annual Debt Service	2,853,428
Internal Rate of Return in Year 7	18.0%

